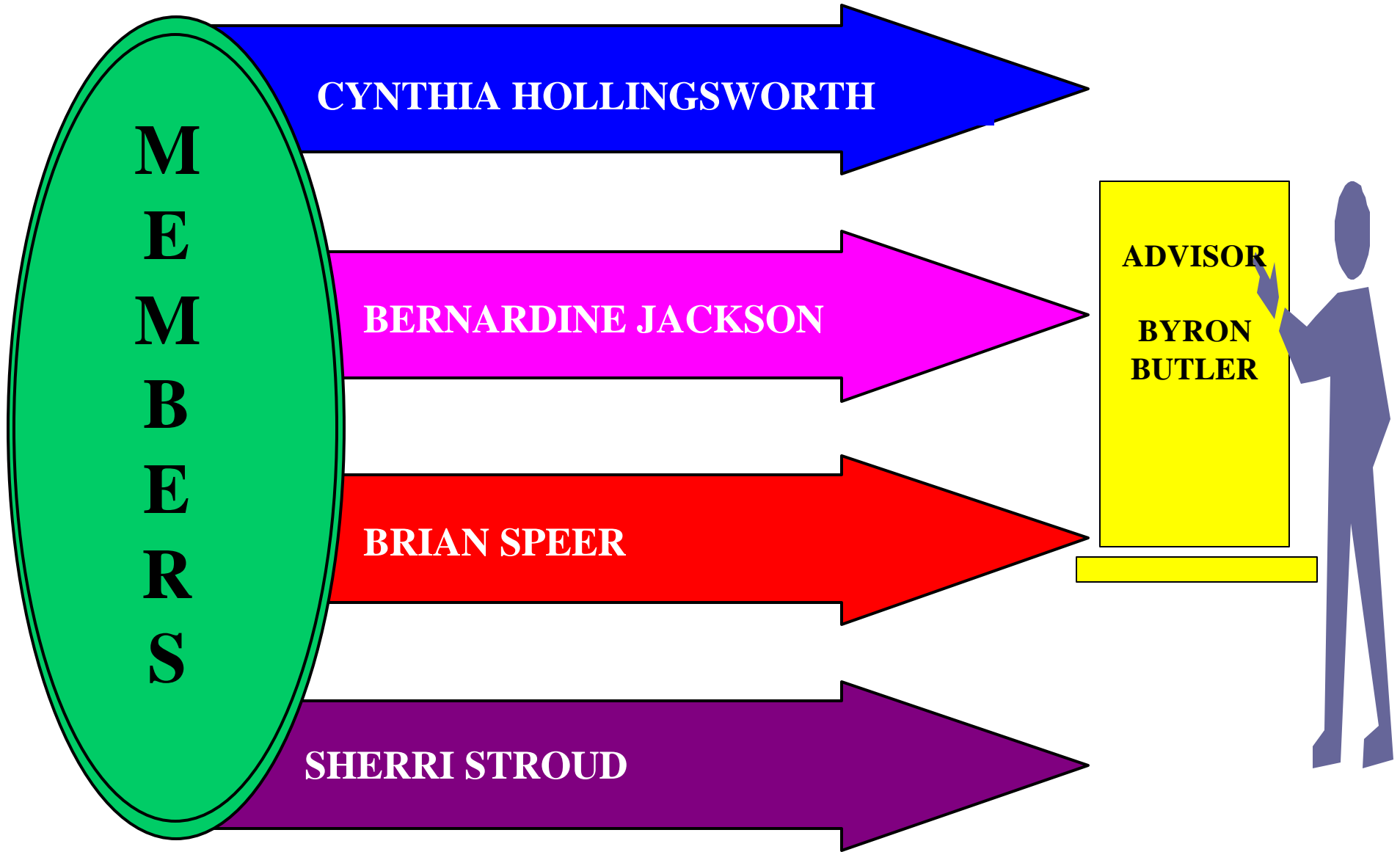# MSFC CONTRACTING BENCHMARKING TEAM

PROCUREMENT 2000 CONFERENCE

March 28, 2000

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PS01 BENCHMARKING TEAM

MEMBERS

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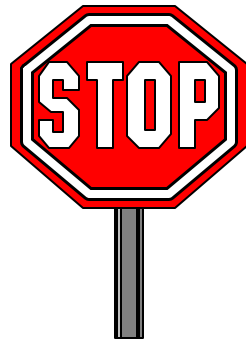# WHAT IS BENCHMARKING?

"The search for industry (organizational) best practices that lead to superior performance."

--   Robert C. Camp

WHAT BENCHMARKING IS NOT

- **Copying**
- **A Program**
- **A Quick Fix**
- **Simple**
- **Cheap**

WHY BENCHMARK?

To provide continuous improvement by comparing the performance of your organization with best practices in other organizations.

BENEFITS OF BENCHMARKING

Accelerates Improvement
Facilitates Managed Change
Validates Goals and Objectives
Provides Sense of Urgency
Combat "It Can't be Done" Attitude
Way to Break Out of Old Paradigms
Key Factor in Quality Awards

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SUCCESS INDICATORS FOR BENCHMARKING

- Active Commitment from Management
- Clear Understanding of Your Agency's Processes
- Willingness to Change/Adapt based on findings
- Willingness to Share Info with Benchmark Partners
- Focusing on Best Practices First and Metrics Second
- Openness to New Ideas and innovative approaches

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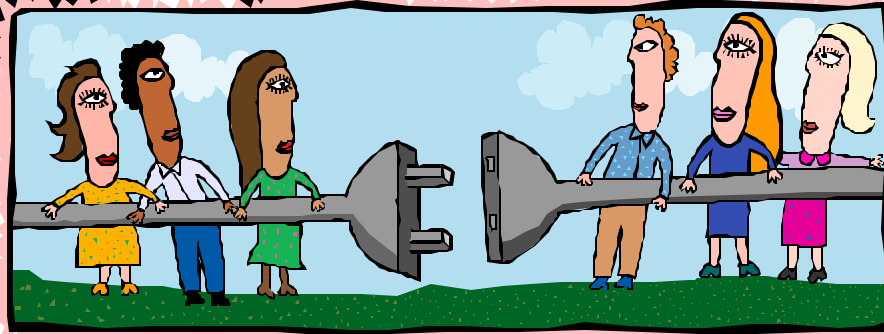
ETHIC

Benchmarking is the process of obtaining useful information to help an organization improve its processes.

Benchmarking is not spying or copying.

If there is potential question on legality, consult with legal counsel.

Be willing to provide benchmarking partners with same info as requested. The rule is reciprocity.

Do not disclose trade secrets or information provided in confidence.

Communicate fully and establish mutual interest in the benchmarking exchange.

Use information obtained as stated in purpose of benchmarking exercise.

Be honest and complete in all exchanges and presenting findings.

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MSFC BENCHMARKING PROCESS

IDENTIFY

- **Process Related Issues that Need Improvement**
- **Organizations/Technology Issues and Barriers**
- **Sponsor for the Bench-marking Team**
- **Contact Organization to Benchmark** (Emphasis on Best-in-Class Sites)

➡ Select and train a team (no more than 6)
➡ Keep Good Records and Appoint a Secretariat
➡ Communicate Findings and Gain Acceptance
➡ Reevaluate Organizational Processes, Goals and Objectives

DEVELOP

- Charter or Mission Statement
- Core Questions for Each Area
- A Process Folder or Data Collection Method

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INTERVIEW GUIDELINES

- Ask only information you are also willing to share

- Provide questionnaires in advance

- Ensure focus is on best practices

- Follow the agenda

- Keep good records/notes. Record most notes on expanded version of question sheets

- Thank partners for cooperating in the benchmark process

- Summarize and verify all commitments for additional data

- Provide POC names and telephone numbers

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TYPES OF BENCHMARKING QUESTIONS
TAILORED FOR EACH AREA

Is there a clearly written defined process with key players identified?

Is it ISO 9000 compliant?

Are there any areas in which you have experienced problems in the past?

What area has the potential for greatest improvement?

What works well in your organization?

Does the process support the mission of the organization?

What are key impediments to the process?

What are best practices in this area?

Have you done customer surveys that address this topic? Findings?

What is your metric for tracking acquisition cycle? PR to award?

What part of the process causes over-age?

Are there customized formats to speed completion of a task?

Do you have a specific award systems to encourage excellence in this area?

What are your reporting requirements to Headquarters?

What other areas are you considering for outsourcing? Why?

What are your employees' attitudes toward outsourcing in your area?

What has been the effect on morale due to outsourcing in your organization?

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THE BENCHMARKING REPORT

✔ *Structure report as appropriate - written summary or charts*

✔ *Provide Executive Summary or Overview of Conclusions*

✔ *State purpose of conducting the benchmarking exercise*

✔ *Process Overview and Methodology*

✔ *Areas of Investigation*

✔ *Identify Benchmarking Partners or Target Organizations*

✔ *Defending or Justifying conclusions or recommendations is counter to the benchmarking process and purpose*

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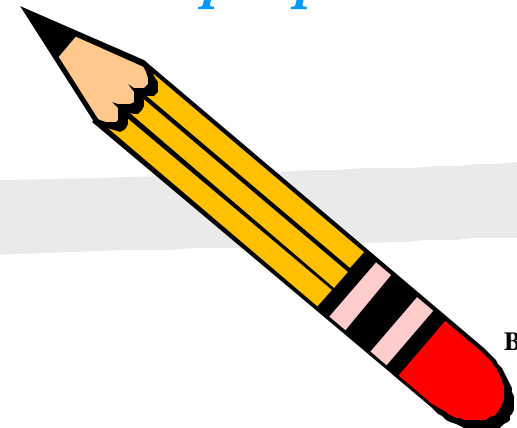
MISSION STATEMENT

BENCHMARK PROCESSES AND PRACTICES OUTSIDE MSFC IN 4-5 SPECIFIC AREAS TO RECOMMEND BEST PRACTICES FOR CONTINUOUS PROCESS IMPROVEMENTS IN MSFC PROCUREMENT

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TARGET ORGANIZATIONS

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION
Goddard Space Flight Center (GSFC)
Johnson Space Center (JSC)
Marshall Space Flight Center (MSFC)

DEPARTMENT OF THE AIR FORCE
Aeronautical Systems Center   (ASC)
Air Force Research Laboratory (AFRL)
Wright Patterson AFB, OH

DEPARTMENT OF THE ARMY
Aviation and Missile Command (AMCOM)
Space and Missile Defense Command (SMDC)
Redstone Arsenal, AL

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AREAS OF EMPHASIS

Acquisition Forecasting

Undefinitized Contract Actions

Market Research

NASA Research Announcements

Data Collection Topic
Outsourcing

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Acquisition Forecasting
Best/better Practices

- **Acquisition Forecast is posted on the Internet** (NASA/AMCOM/SMDC/ASC)

- **Use standard format/template with specific data elements** (All)

- **Acquisition Forecast has "hot links" to POCs** (ASC/AFRL)

- **Establish email list of program offices and send regular email reminders to submit forecasted acquisitions early** (ASC)

- **Educating internal customers of forecast value and ensure POCs understand their role in Acquisition Forecast** (JSC)

- **Brief Acquisition Forecast to Center Director annually prior to publication** (JSC)

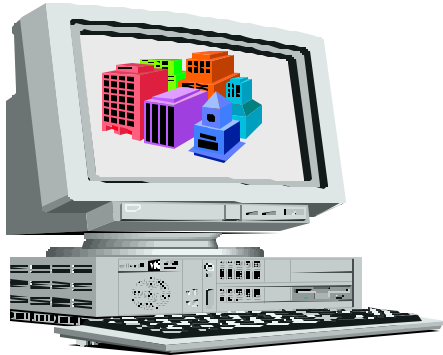- **Updates posted as requirements realized** (MSFC)

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[Acquisition Forecasting](#)
Problem Areas
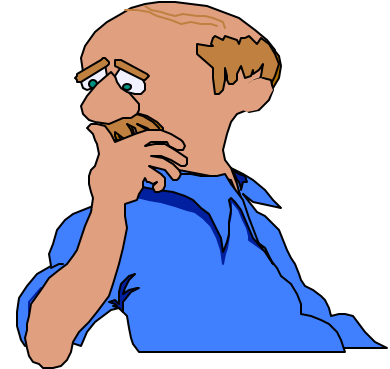
- **Inadequate planning for possible future acquisitions**

Market Research
Best/better Practices

- **Market research guidelines posted on the Internet homepages (ALL)**

- **Conducts specific market research training for program personnel right before a major acquisition (just-in-time training by Pre-Award Support Office) (WPAFB)**

- **Use of RFI's in CBD and NAIS results in valuable marketplace information (JSC)**

- **Notify all offerors prior to a solicitation that their names will be posted on the Internet to encourage subcontracting opportunities (JSC)**

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Market Research
Problem Areas

- Market research is conducted by technical personnel without procurement staff assistance

- Insufficient documentation of market research done by technical personnel to fulfill procurement requirements

- Changing technology major challenge for conducting market research

- Electronic tools are not being used effectively

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NASA Research Announcements (NRA)
Best/better Practices

Research
Opportunities

- **Create an electronic handbook for use by government personnel and industry (AFRL)**

- **Provide just-in-time training for team (AFRL)**

- **Use a 2-Step process: (1) White Papers (2) Proposals (SMDC/AFRL)**

- **Minimize formal debriefs; hold informal debriefs when requested by telecon or letter only (AMCOM/AFRL)**

- **Use automated tools for evaluation (MSFC/AFRL)**

- **Evaluation team members may include other agencies and contractor personnel (MSFC)**

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NASA Research Announcements (NRA)
Best/better Practices

- **Early involvement of procurement in the process improves quality of awards (MSFC/SMDC/AFRL)**

- **Do not have a blackout period (AFRL/AMCOM)**

- **Page limits for technical and cost proposals (AFRL,AMCOM)**

- **Request SOW/SOO with proposal submittal (ASC/AFRL)**

- **Contractors encouraged to submit proposals through BAA/NRAs rather than unsolicitated proposals (SMDC/WPAFB/AMCOM)**

NASA Research Announcements
Problem Areas
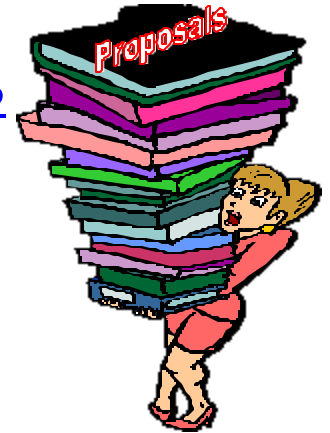
- Large volume of proposals received in response to NRAs

- Stalled process from selection to award due to revised proposals and negotiations

- Debriefings to contractors very time consuming

Undefinitized Contract Actions
Best/better Practices

- **Emphasize reducing fee in award fee evaluations for late proposals or delayed definitization (GSFC/JSC/SMDC/WPAFB)**

- **Negotiate lower than generally accepted fee for late proposal submittal (GSFC)**

- **Use of government/contractor teaming processes**
  - **Alpha - Simultaneous information exchange with contractor - Team develops SOW, cost and model contract - reduces number issued (AMCOM)**
  - **CPA - Team agrees on resources but not rates - saves dollars and time (JSC)**
  - **IPT - Team works closely to reduce need for UCAs and can be used for development of SOW and model contract (All)**
  - **STAR - Team develops SOW, model contract, cost, joint review document - reduces time to definitize (ASC)**

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Undefinitized Contract Actions
Best/better Practices

- **Encourage more critical examination of all UCA requests including senior management reviews (GSFC/JSC/MSFC/WPAFB)**

- **Limit the amount of funding until UCA is definitized (MSFC/ASC)**

- **Receipt of proposal before issuing UCA (ASC/GSFC)**

- **Co-location of contracting personnel with program office (ASC/GSFC/JSC/MSFC)**

- **Government/contractor teaming to definitize UCAs; create detailed definitization tracking status with schedules for all team members (JSC/ASC/AFRL)**

- **Tie UCA definitization to Past Performance Evaluations (ASC)**

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Undefinitized Contract Actions
Problem Areas

- Over-age caused by changing requirements, funding changes, changing contractor and program office priorities

- Over-age caused by disagreement over scope of change with contractor

- Several key steps in definitization process outside procurement control

- Minor price differences (3%-5%) hold up negotiations; Forward Pricing Rate Agreements would speed process

- Lack of program office planning and support to minimize or definitize UCAs

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General Best Practices

- **Put people first, value your customers** (ALL)

- **Shared vision between the Contracting Personnel and Technical Community** (ALL)

- **Brown bag training on various procurement topics** (JSC)

- **Cost/Price analysis function performed by Resource Analyst** (GSFC)

- **Continued emphasis on development of electronic tools such as MSFC's Virtual Procurement Office (VPO)** (ALL)

- **Awards**
  - **Peer involvement in the nomination process and evaluation of nominations** (GSFC)
  - **Program Office and Procurement Team awards such as "Dangerous Display of Initiative"** (ASC)

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Benchmarking Team Summary

- Benchmarking identified several areas for improving MSFC procurement processes
- Best or Better practices are situational
- All target organizations had similar processes for NRAs and UCAs
- Acquisition Forecasts and Market Research have become Internet driven for external customers
- Reductions in procurement staff of target organizations are a result of technology improvements rather than outsourcing

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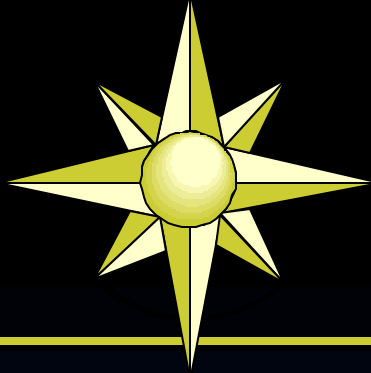
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